

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS ENERGY)
CORPORATION (ATMOS), THROUGH ITS)
DIVISION, WESTERN KENTUCKY GAS COMPANY)
OF OWENSBORO, KENTUCKY, FOR AN ORDER)
AUTHORIZING THE CREATION AND ISSUANCE)
OF 150,000 SHARES OF COMMON STOCK)
THROUGH ITS EQUITY INCENTIVE AND)
DEFERRED COMPENSATION PLAN FOR)
NON-EMPLOYEE DIRECTORS AND 1,500,000)
SHARES THROUGH ITS 1998 LONG-TERM)
INCENTIVE PLAN)

CASE NO. 98-509

ORDER

IT IS ORDERED that Atmos Energy Corporation ("Atmos") shall file the original and 10 copies of the following information with the Commission. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a response requires multiple pages, each page should be indexed appropriately, for example, Item 1(a), page 2 of 4. With each response, include the name of the witness who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible. The response to this request is due within ten days of the date of this Order.

1. Refer to Exhibit A, page 1 of 10, of the Application. Atmos has stated it has 75,000,000 shares of no par value common stock authorized and 30,216,559 shares of common stock issued and outstanding. In its application, Atmos requests authority to create and issue a total of 1,650,000 shares of its no par value common stock. Will the additional 1,650,000 shares come from the existing 75,000,000 shares

authorized, or will Atmos's total no par value common stock authorized increase to 76,650,000? Explain the response.

2. Atmos's application states the stock to be issued is no par value common stock. However, as defined in the Equity Incentive and Deferred Compensation Plan, Article 2.6 and the 1998 Long-Term Incentive Plan, Article 2.9, common stock means Atmos's common stock with a par value of \$1.00 per share.

a. Explain in detail why the application does not agree with the definitions contained in the two plans.

b. Does Atmos have any authorized, issued, or outstanding common stock with a par value of \$1.00 per share? If so, provide the shares authorized, issued, and outstanding as of November 30, 1998 and explain why this information was omitted from Atmos' application.

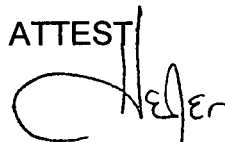
c. Indicate which type of common stock is actually to be issued under the provisions of these plans.

Done at Frankfort, Kentucky, this 11th day of December, 1998.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST


Executive Director